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CAD BULLETIN No. 2005-03

TO: Electric and Gas Utilities Operating in Maine
FROM: Derek D. Davidson, Director, Consumer Assistance Division
DATE: November 22, 2005
SUBJECT: High Winter Fuel Costs

The Commission requests that all electric and gas utilities operating in Maine implement and follow the actions listed below to help customers who have difficulties paying their utility bills this winter. The recommendations were made by participants at two recent workshops held at the Commission's offices in Augusta, the first on October 18 and the second on November 3. With the anticipated high cost of fuel oil, kerosene, propane, and natural gas this winter, it is expected that many customers will have difficulties paying utility bills. Because customers receive winter disconnection protection for utility service and not for fuel oil, kerosene, and propane service, some customers may use their limited financial resources to pay bills other than their utility bills. Further exacerbating this problem, some customers may use electric stoves and space heaters as a heating source to avoid the high cost of fuel oil and propane.

I would like to take this opportunity to thank the folks who participated in the workshop, as well as the utilities that will implement these actions. The participants made many excellent suggestions for helping customers pay their bills this winter and their assistance and cooperation is greatly appreciated. If a particular utility has difficulties implementing one or more of these actions, or if anyone has questions, please contact me at (207) 287-1596 or at derek.d.davidson@maine.gov.

Actions

1) Utilities will provide the CAD with 30/60/90 day "aged" arrearage figures by the 15th of each month beginning in December. Utilities that cannot provide the 30/60/90 day break-down will instead provide a total monthly arrearage amount. The first monthly report will include monthly data retroactive five years. If a utility cannot provide five years worth of data, it should provide data as far back as information is available. Utilities able to provide both standard offer and total arrearage amounts will do so. Other utilities will provide total arrearage amounts only. The Commission will use these reports to monitor the arrearage situation this winter and may open a proceeding if arrearage amounts become excessive.



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- 2) Utilities will eliminate the requirement that customers stay current on their bills throughout the winter period to receive a Low Income Assistance Program (LIAP) benefit. Many utility LIAP programs require that customers fully pay their bills during the winter period to receive a LIAP benefit. Utilities operating a LIAP will eliminate the requirement that customers stay current on their bills throughout the winter period to receive a benefit. The appropriate revisions to existing terms and conditions should be filed as soon as possible.
- 3) Utilities operating a LIAP that provide lump-sum benefits in the spring or summer will provide the benefit during the winter period to eligible customers experiencing payment troubles. The appropriate revisions to existing terms and conditions should be filed as soon as possible.
- 4) All utilities (including small utilities - 1500 customers or less) will offer individualized and standardized Special Payment Arrangements to all customers.
- 5) Central Maine Power (CMP) will allow customers enrolled in their Electric Lifeline Program (ELP) who do not have a deferred arrearage to enter into Special and Regular Payment Arrangements without losing their ELP benefits. Customers with a deferred arrearage will not be eligible for a Special or Regular payment arrangement, but will not lose their ELP benefit if they fail to pay their entire co-payment amount.
- 6) Utilities will accept partial payments from all customers during the winter period. If a customer offers a reasonable payment, utilities will accept the payment and establish a reasonable payment arrangement based on the customer's offering. Each customer's specific situation will determine what amount is "reasonable."
- 7) CMP and Maine Public Service will continue operating their "Gatekeeper Programs" (with additional training to staff as necessary) while Bangor Hydro-Electric and Northern Utilities, Inc. will reactivate/establish a "Gatekeeper" programs. With these programs, utility staff visiting customer homes will alert the appropriate assistance agency of crisis or emergency situations where intervention may be necessary.